

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	:	Chapter 11
	:	
SOLUTIA INC., <i>et al.</i>,	:	Case No. 03-17949 (PCB)
	:	
Debtors.	:	(Jointly Administered)
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THIS ORDER APPLIES TO:

<u>X</u> All Debtors	_____ Axio Research Corporation
_____ Solutia Inc.	_____ Solutia Investments, LLC
_____ Solutia Business Enterprises Inc.	_____ Beamer Road Management Company
_____ Solutia Systems, Inc.	_____ Monchem, Inc.
_____ Solutia Overseas, Inc.	_____ Solutia Inter-America, Inc.
_____ CPFilms Inc.	_____ Solutia International Holding, LLC
_____ Solutia Management Company, Inc.	_____ Solutia Taiwan, Inc.
_____ Monchem International, Inc.	_____ Solutia Greater China, Inc.

**ORDER APPROVING THE AMENDED AND MODIFIED 2007 ANNUAL
INCENTIVE PROGRAM AND OTHER COMPENSATION CHANGES**

Upon the AIP Motion,¹ the Supplement (and together with the AIP Motion, the “Motions”), the Memorandum of Law, the Mulcahy Declaration, and the Wallach Declaration, and upon consideration of the supporting papers and the files and records in these cases, and upon the arguments and testimony presented at the hearing before the Court on March 12, 2007 (the “Hearing”), and any objections to the Motions having been withdrawn or overruled on the merits, this Court finds and concludes that: (i) the Court has jurisdiction over the subject matter of the Motions and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this is

¹ Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Supplemental Motion.

a core proceeding pursuant to 28 U.S.C. § 157(b); (iii) the legal and factual bases set forth in the Motions and on the record at the Hearing establish just cause for the relief granted herein; (iv) the relief requested in the Motions is (a) necessary and appropriate to carry out the provisions of the Bankruptcy Code, (b) essential to the continued operation of Solutia's businesses, (c) based on good business reasons, (d) a sound exercise of Solutia's business judgment, and (e) in the best interests of Solutia, its estates and its creditors; (f) the terms and conditions of the (1) 2007 AIP, as modified by the Modifications, (2) Salary Increase, and (3) Employment Agreements, as modified by the Modifications are reasonable; and (g) notice of the Motions was sufficient and no other or further notice need to be provided.

Based upon the above findings and conclusions, and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. Solutia is hereby authorized to implement and perform under the 2007 AIP, as amended by the Modifications.
2. Solutia is hereby authorized to implement and effectuate the Salary Increase and the Employment Agreements, as amended by the Modifications.
3. Unless otherwise provided for in the Supplement, all other provisions of the 2007 AIP, the Salary Increase, and the Employment Agreements shall remain in effect.
4. Notwithstanding the provisions of Bankruptcy Rule 6004(g), this Order shall take effect immediately upon its entry.

5. The Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the implementation of this Order.

Dated: April 11, 2007
New York, New York

/s/ Prudence Carter Beatty
UNITED STATES BANKRUPTCY JUDGE